

Good morning,
Here's your daily market and economy update:

Global:

- US 10-year bond yield closed at its highest level in more than a decade, propelled by fears that persistent inflation could push the Federal Reserve to raise interest rates even higher and faster than already expected.
- The European Central Bank raised its inflation projection for 2022 to 6.8% from 5.1% predicted in March. It also cut its growth outlook to 2.8% for 2022 from earlier 3.7% as the conflict in Ukraine continues to weigh on confidence, consumption and investment.
- The UK GDP shrank by 0.3% in April after falling by 0.1% in March, the first back-to-back declines since the beginning of the pandemic. Despite the slowing economy, the Bank of England is expected to raise interest rates for the sixth time since December on June 16.

Domestic:

- India's headline retail inflation rate eased to 7.04% in May from April's near-eight-year high of 7.79% owing to a favourable base effect. Even though inflation moderated, all six major groups of the CPI basket registered a sequential increase in their indices.
- The Indian rupee fell to a new record low beyond 78 against the US dollar on Monday after red-hot US inflation data raised the prospects of aggressive Fed tightening later this week.
- The country's total merchandise exports are likely to be at USD 117.2 billion in the first quarter of FY23, according to Exim Bank. The total merchandise exports stood at USD 95.5 billion in the corresponding quarter of the previous year.

Global Indicators

	10-06-2022	13-06-2022	% / bps change
Dow	31,393	30,517	-2.79
NASDAQ	11,340	10,809	-4.68
S & P 500	3,901	3,750	-3.88
Nikkei 225	27,824	26,987	-3.01
FTSE 100	7,318	7,206	-1.53
US 10-yr (%)	3.16	3.36	20 bps
UK 10-yr (%)	2.45	2.53	8 bps
Germany 10-yr (%)	1.52	1.64	12 bps
Gold (\$/t oz)	1,876	1,832	-2.33
Crude Oil-WTI (\$/bbl)	120.67	120.93	0.22
Crude Oil-Brent (\$/bbl)	122.01	122.27	0.21
\$/€*	1.05	1.04	-1.05
¥/\$*	134.41	134.42	0.01
\$/£*	1.23	1.21	-1.47

*(-)Appreciation/(+)Depreciation; Source: WSJ

Equity and Currency Markets - Domestic

	10-06-2022	13-06-2022	% change
Sensex	54,303	52,847	-2.68
NIFTY	16,202	15,774	-2.64
BSE SME IPO	12,581	12,177	-3.21
Rs/\$*	77.84	78.04	0.26
Rs/€*	82.49	81.80	-0.84

*(-)Appreciation/(+) Depreciation; Source: Business Standard

Corporate Bond Spreads over G-Sec (percentage point)*- Domestic

10 Year	PSU, FIs & Banks	NBFCs	Corporates
AAA	0.05	0.22	0.16
AA+	0.40	0.69	0.54
AA	0.77	1.06	0.84
AA-	1.22	1.45	1.25
A+	1.97	3.20	2.50
A	2.22	3.45	2.75
A-	2.47	3.70	3.25
BBB+	2.97	4.20	3.75
BBB	3.22	4.45	4.00
BBB-	3.72	4.95	4.50

*As of June 10, 2022; Source: FIMMDA

FPI and MFs Investment Flows - Domestic

	Equity Net	Debt Net	Total (Net)^
Net FPI Flows (USD million)			
May-22	(5,179)	456	(4,730)
Jun-22*	(2,197)	(168)	(2,336)
10-Jun-22	(180)	(1)	(166)
13-Jun-22	(409)	(220)	(628)
MF Investments (Rs crore)			
Jun-22#	4,762	(692)	4,069

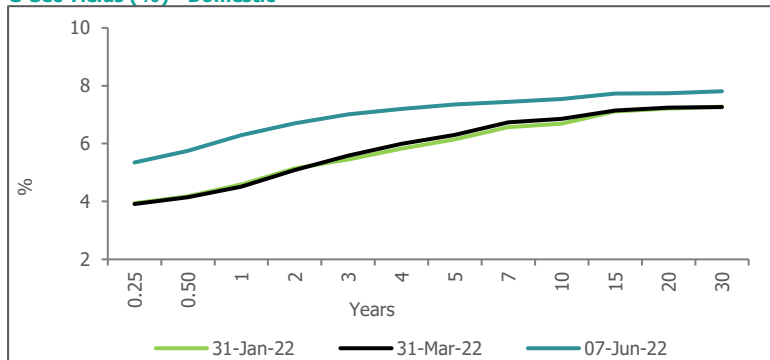
*Latest data as of previous trading day; #Data till June 08, 2022; ^Total (Net) of equity, debt & hybrid; Source: NSDL, SEBI

Money Market - Domestic

	10-06-2022	13-06-2022
Avg. Call Rate (%)	4.54	4.55
Vol. Traded (Rs crore)	11,777	12,267
Net banking system liquidity outstanding (Rs crore)*	(3,54,962)	(3,57,497)
T-Bills 91 days (%)	4.96	4.94
182 days (%)	5.57	5.57
364 days (%)	6.05	6.08
G-sec 3 years (%)	NA	7.04
5 years (%)	7.20	7.33
10 years (%)	7.52	7.60

*(+/-)Deficit/(-)Surplus (Net banking system liquidity outstanding = total repo + MSF + SLF - total reverse repo); Source: RBI, CCIL

G-Sec Yields (%) - Domestic



Source: FBIL

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